

Staten Island Advance

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Maritime industries: A growing bonanza

by Frank Donnelly

STATEN ISLAND, N.Y. -- Once in decline, Staten Island's shipping and maritime industry has rebounded dramatically in the past decade. Now considered at the forefront statewide, it employs thousands and generates close to \$1 billion to the local economy, industry observers say.

"The center of the maritime industry in New York is on Staten Island," said Roland Lewis, president and chief executive officer of the Metropolitan Waterfront Alliance, which weighs waterfront redevelopment policy and decision-making.

"It's a hidden secret that the maritime industry is doing quite well and the port [of New York] is booming," he added. "I think it's a vital part of the economy on Staten Island and should be fostered."

Traverse Richmond Terrace from end to end and you'll see the homes of tugboat companies, boat repair yards, dredging firms and huge ocean-going cargo ships stuffed against the docks of New York Container Terminal in the shadow of the Goethals Bridge.

Swing around Bay Street to Tompkinsville, and you'll find Miller's Launch, which repairs vessels and also ferries people and supplies to ships anchored in the harbor. At the former Stapleton home port, the Intrepid, the 912-foot aircraft carrier turned floating museum, is undergoing a \$8 million interior renovation.

From stevedores to crane operators, repairmen and deckhands, the maritime industry on Staten Island employs as 4,100 full-time workers, plus up to an estimated 10,000 contract workers -- those employed on as-needed basis -- according to information provided by the city Economic Development Corporation (EDC). Full-time maritime-industry workers here earn more than \$325 million collectively, while contract workers rake in an estimated \$400 million to \$500 million all together, said EDC.

Each day, ships haul in vast amounts of goods from around the world -- from the shoes on your feet to the Heineken beer in your hand. And more is coming.

Almost 100 million tons of cargo flowed through New York and New Jersey shipping terminals in 2004, the most recent year for which figures are available, according to data provided by the Port Authority of New York and New Jersey. That figure represented a 27 percent spike above the 78.5 million tons of cargo handled at local ports just four years earlier in 2000.

Port-based jobs jumped 29 percent to 20,947 in 2004, compared to 16,232 in 2000, the Port Authority said. Overall, the shipping industry in 2004 provided nearly 122,550 direct full-time-equivalent jobs -- the bulk in off-site warehousing and inland distribution centers -- generating several billion dollars in income.

"The state of the maritime industry [in the port of New York] is very strong," said Steven Coleman, a Port Authority spokesman.

James Devine, president and chief executive officer of New York Container Terminal (NYCT) in Mariners Harbor, attributed the up-ticks in business to the recently-completed dredging of the Arthur Kill to accommodate larger ships, increased imports, growth and improved service at the facility which enticed importers using other local terminals over to NYCT, and contracts with two new shipping consortiums -- Grand Alliance and New World Alliance -- each composed of three foreign-based companies.

He also cited the re-opening of the Arthur Kill Lift Bridge in June, which allows direct access from NYCT to rail lines in New Jersey that spider-web the country.

"We are an economic engine," said Devine.

Coleman noted cargo levels have grown by 7 to 10 percent annually over the last five years and are expected to double in the next 10 years.

And each large ship that comes in requires at least one smaller boat to aid in docking, fueling and other activities. Most of those tug boats are based along the North Shore.

As a result, shipping industry leaders and observers say the picture on Staten Island is particularly bright.

"Staten Island is the place of growth for the maritime business," SUNY Maritime professor Shmuel Yahalom said in a report entitled "Staten Island 2020," released in April by the Center for an Urban Future. "Their facilities are already overbooked. They're looking to expand. It's the only area for the region where there can be growth. Staten Island can become the hub for maritime services for the region."

According to the report, the borough is home to five tug boat companies, two barge companies, three dry-dock repair businesses, two dredging firms, including the nation's largest, Great Lakes Dock & Dredge in Mariners Harbor, three steamship agents, and at least five other maritime businesses.

Devine said he expects the 187-acre facility straddling the Arthur Kill to do around \$150 million in business this year -- up nearly 36 percent from \$110,000 in 2006.

That's a far cry from just over a decade ago, when the terminal, then known as Howland Hook Container Terminal re-opened in 1996 after being shuttered for 10 years and did about \$20 million to \$30 million in business, said Devine.

By the end of 2007, NYCT will employ 550 workers -- more than 70 percent of whom live on Staten Island. That represents a jump of 75 well-paying blue collar jobs from the beginning of the year, he said.

In 2006, NYCT handled about 11 percent of container cargo in the port (most is handled at New Jersey facilities). Devine hopes to bump that number to 16 percent by the end of 2008 and to 22 percent within the next three to four years -- the latter with the proposed addition of a berth at the adjacent former Procter & Gamble site in Port Ivory along the Kill Van Kull. NYCT currently has three berths.

The Port Authority, which owns the land, supports the expansion, although Councilman Michael McMahon (D-North Shore) and others oppose any incursions into adjoining the 40-acre Arlington Marsh. Devine said NYCT would not touch the marsh.

Devine hopes to expand even farther -- to the 675-acre site on the West Shore once home to a major oil tank farm and most recently eyed for the city's first NASCAR. Devine said the plot -- the city's largest parcel of privately owned, undeveloped land -- which abuts NYCT would be ideal for distribution and as a barge-shipping terminal. One tug barge can move as much freight as 58 trucks.

Michael Printup, a spokesman for property owner International Speedway Corp., recently said there are 15 to 20 interested buyers, most of whom envision shipping, due to the location. However, he also lauded a proposal by McMahon to turn the industrial wasteland into a technology and manufacturing park for alternative sources of energy.

Meanwhile, NYCT isn't the only local success story.

Caddell Dry Dock and Repair Co. Inc. is largest dry-dock operator in the port of New York. President Steven P. Kalil said the West Brighton-based company seeks to expand and add at least two dry docks to their existing six. Dry docks here are used to repair ferries, tugs, barges and smaller vessels.

Industry observers said the recent closure of a major dry dock repair yard in Brooklyn's Red Hook section underscores the need for more dry docks in the harbor and even points to a shortage of such facilities.

"Our business is steadily gaining over the last 15 years and will continue to do so," Kalil said.

There's good news, too, at McAllister Towing of New York in Mariners Harbor.

Capt. Pat Kinnier, said the tug company, employs about 150 here and bases 18 to 21 boats on the North Shore. They currently aid about 15 to 30 ships a day, a notable increase from prior years.

"Shipping has been very strong," said Kinnier, McAllister's port captain.

Dennis Wheeler, president of the president of the New York Sandy Hook Pilots Association, whose members guide ocean-going vessels through the harbor, agreed, saying shipping is "way up" over the past decade.

All of that, experts say, points to a need to maintain and preserve the waterfront for shipping.

"Most of us don't see the waterfront economy, but we depend on it -- anything from the gypsum in your walls to many of the things you use come through the port," said Lewis of the Metropolitan Waterfront Alliance.

"Once that luxury condo is built [on the waterfront], the maritime use isn't coming back."

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